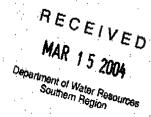
Lava Lake Land & Livestock, L.L.C.

P.O. Box 2249 Hailey, Idaho 83333 Tel: 208-788-1710 Fax: 208-788-1264 3485 Sacramento Street San Francisco, California 94118

Tel: 415-292-1764 Fax: 415-292-1766



March 15, 2004

Karl Dreher
Idaho Department of Water Resources
c/o Cindy Yenter, Watermaster
District 130
1341 Fillmore Street, Suite 200
Twin Falls, Idaho 83301-3380

BY FAX ON MARCH 15, 2004

Dear Director Dreher and Watermaster Yenter:

I am writing to ask you to exclude Lava Lake Land & Livestock, L.L.C.'s water rights at Lava Lake Ranch from your order dated February 25, 2004 that will halt groundwater diversions in Water District 130.

Lava Lake Ranch operates in the remote northern portion of Water District 130 and is isolated from any other water users. The ranch is also isolated from the Snake River Plain by extensive lava flows that are part of Craters of the Moon National Monument and Preserve.

Lava Lake's water use is limited to groundwater and surface diversions used to water alfalfa and oats crops. The water use occurs in a drainage catchment with extensive groundwater recharge to the catchment's surface water terminal point at Lava Lake itself. From there, surface and groundwater flow into the immediately adjacent raw lava. Our hydrologic connection to the main portion of Water District 130 has likely never been fully documented.

Given Lava Lake's very modest diversions, the ranch's physical and possibly hydrologic isolation from the main portion of Water District 130, and our utter dependence on our diversions to maintain our farming and ranching operation, I urge you to consider excluding the operation from your order of February 25, 2004.

IDWR SOUTHERN REGION

208 788 1264

TO: 2087363037

PAGE 03

P.3/3

Dreher and Yenter
IDWR Order Dated February 25, 2004
Page 2

Please contact mc at 788-1710 when you have had a chance to review this request.

Sincerply,

Michael S. Stevens Chief Operating Officer